

VZCZCXRO8266  
PP RUEHAG RUEHAST RUEHDA RUEHDF RUEHFL RUEHIK RUEHKW RUEHLA RUEHLN  
RUEHLZ RUEHPOD RUEHROV RUEHSR RUEHVK RUEHYG  
DE RUEHBM #0268/01 1010610  
ZNR UUUUU ZZH  
P 100610Z APR 08  
FM AMEMBASSY BUCHAREST  
TO RUEHC/SECSTATE WASHDC PRIORITY 8133  
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE  
RUEHAH/AMEMBASSY ASHGABAT 0042  
RUEHTA/AMEMBASSY ASTANA 0014  
RUEHKB/AMEMBASSY BAKU 0039  
RUEHSI/AMEMBASSY TBILISI 0216  
RUCPDO/DEPT OF COMMERCE WASHINGTON DC  
RHMCSUU/DEPT OF ENERGY WASHINGTON DC  
RHEHNSC/NSC WASHDC

UNCLAS SECTION 01 OF 02 BUCHAREST 000268

SIPDIS

USEU BRUSSELS FOR AMB GRAY  
EEB FOR SMANN, SGALLOGLY  
EUR/FO FOR JGARBER, MBRYZA  
DEPT FOR EUR/CARC MICHAEL CARPENTER  
DOE FOR TTILLER  
NSC FOR LCATIPON  
STATE PASS USTDA FOR DSTEIN

SIPDIS  
SENSITIVE

E.O. 12958: N/A  
TAGS: [ENRG](#) [EPET](#) [EINV](#) [PGOV](#) [PREL](#) [RO](#)  
SUBJECT: ROMANIA: A STRONG ALLY ON ENERGY DIVERSIFICATION

REFTEL: BUCHAREST 216

Sensitive but Unclassified, not for Internet distribution.

11. (SBU) Summary: In an April 2 meeting with visiting DAS Matthew Bryza, Ministry of Economy and Finance State Secretary Viorel Palasca strongly reaffirmed Romania's commitment to the Nabucco pipeline project. Romania continues to seek U.S. support for its efforts to ensure energy security through supply diversification. The discussion focused on how to bring Azeri, Turkmen and possibly Kazakh gas into Nabucco. The Government of Romania (GOR) is also committed to an LPG/LNG terminal project in the port of Constanta as part of its energy diversification strategy. End Summary.

12. (SBU) In a cordial meeting with DAS Matthew Bryza, State Secretary Palasca emphasized that the GOR is a strong supporter of

SIPDIS  
Nabucco, a project which it views as vital for European energy security, and that Romania will not pursue other projects that are competing with Nabucco, such as South Stream. Palasca, who assumed his portfolio last autumn, has actively engaged Azerbaijan and Turkmenistan to encourage these countries to provide enough gas to fill Nabucco. While he privately admitted that Romania may be interested in the White Stream pipeline project, especially if Ukraine joins NATO, Palasca believes that Nabucco is the best possible project, both for Romania and the EU.

13. (SBU) Palasca requested USG support in engaging Turkey on gas transit for Nabucco, as well as Bosphorus transit for tankers to supply the proposed LPG/LNG project in Constanta. He took note of DAS Bryza's recommendation that, while Romania could expect support from the U.S., Romania itself should take the lead on the talks with Turkey on Bosphorus passage. Palasca also asked for USG support in attracting Turkmen gas to Nabucco, and in encouraging Azerbaijan and Turkmenistan to consider delivering LNG across the Black Sea to the proposed Constanta LPG/LNG terminal. Palasca asked Bryza to pass the message to his Azeri and Turkmen counterparts that Romania would welcome energy investments by them along the lines of KazMunaiGaz's (KMG) purchase of Rompetrol last year.

13. (SBU) Bryza and Palasca discussed the amount of gas available for

Nabucco, with Palasca saying he understood that the Azeris could export at least 12 billion cubic meters of gas, possibly more if offshore fields are fully developed. The Romanians expressed some concern that the Chinese could cut a deal for Azeri gas if there is no forward movement on Nabucco. Palasca described progress made by the EU-appointed Nabucco coordinator, Josiah van Aartsen, in getting Turkey to negotiate a more favorable gas transit agreement with Azerbaijan under which Turkey would be a gas transit country, rather than a gas trader as it had initially envisaged.

¶4. (SBU) The proposed LNG terminal at Constanta is another priority for Romania, Palasca confirmed. DAS Bryza emphasized that the Romanians must take the lead on negotiating tanker passage through the Bosphorus with Turkey. Palasca responded that the GOR appreciates USTDA assistance in evaluating the feasibility of this project, and that Romania will develop the project with a U.S. partner if it proves commercially viable. Romania considers Azerbaijan and Turkmenistan as possible alternate sources of LNG to avoid the Bosphorus passage issue, he said, taking note of DAS Bryza's suggestion that the countries explore the possibility of locating a gas liquefaction plant on Georgia's Black Sea coast.

¶5. (SBU) Comment. Although clearly nervous about neighboring countries' recent deals with Gazprom on South Stream, Romania remains a steadfast Nabucco supporter and so far shows no indication of wanting to cut its own deal with the Russians. Still, the Romanians seek regular reassurance that the U.S. is fully engaged and that Nabucco remains viable despite recent developments. We will continue to welcome visits from DAS Bryza and other key USG officials to help persuade Bucharest to stay the course on energy. Politically, Romania's leadership needs to demonstrate progress on energy supply diversification, not just with regard to Nabucco, but also on other projects such as the LNG terminal proposal. End comment.

¶6. (U) DAS Bryza did not have an opportunity to clear this cable.

BUCHAREST 00000268 002 OF 002

TAUBMAN